

12-410. REQUIRED BOND OR SECURITIES.

(A) GENERAL RULE.

WITH THE APPLICATION FOR A NEW OR RENEWAL LICENSE, THE APPLICANT EITHER SHALL FILE A SURETY BOND OR BOND RENEWAL CERTIFICATE OR SHALL DEPOSIT SECURITIES WITH THE BANK COMMISSIONER AS PROVIDED IN THIS SECTION.

(B) BOND.

(1) A SURETY BOND FILED UNDER THIS SECTION SHALL RUN TO THIS STATE FOR THE BENEFIT OF ANY PERSON WHO HAS A CAUSE OF ACTION AGAINST THE APPLICANT FOR ANY LIABILITY INCURRED ON A DRAFT ISSUED OR SOLD BY THE APPLICANT OR BY ANY AGENT OF THE APPLICANT.

(2) THE SURETY BOND SHALL BE:

(I) IN THE AMOUNT REQUIRED BY SUBSECTION (D) OF THIS SECTION; AND

(II) ~~WITH SURETIES THAT THE BANK COMMISSIONER APPROVES. ISSUED BY A BONDING COMPANY OR INSURANCE COMPANY THAT IS AUTHORIZED TO DO BUSINESS IN THIS STATE; AND~~

(III) APPROVED BY THE BANK COMMISSIONER.

(C) SECURITIES.

(1) SECURITIES DEPOSITED UNDER THIS SECTION SHALL CONSIST OF:

(I) GENERAL OBLIGATIONS OF OR OBLIGATIONS FULLY GUARANTEED BY THE UNITED STATES; OR

(II) DIRECT GENERAL OBLIGATIONS OF THIS STATE.

(2) THE SECURITIES SHALL:

(I) HAVE A MARKET VALUE EQUAL TO THE AMOUNT REQUIRED BY SUBSECTION (D) OF THIS SECTION; AND

(II) BE HELD BY THE BANK COMMISSIONER TO SECURE THE SAME OBLIGATIONS AS ARE REQUIRED TO BE SECURED BY A BOND UNDER SUBSECTION (B) OF THIS SECTION.

(3) AT ANY TIME, A LICENSEE MAY EXCHANGE DEPOSITED SECURITIES FOR OTHER SECURITIES THAT MEET THE REQUIREMENTS OF THIS SUBSECTION.

(4) THE BANK COMMISSIONER MAY SELL OR TRANSFER DEPOSITED SECURITIES AND DISPOSE OF THEIR PROCEEDS ONLY ON THE ORDER OF A COURT OF COMPETENT JURISDICTION.